

**NOBELTEL, LLC**

**REPORT OF MANAGEMENT ON  
COMPLIANCE WITH THE FEDERAL  
COMMUNICATIONS COMMISSION'S  
THIRD PAYPHONE ORDER**

**June 30, 2005**

## INDEPENDENT ACCOUNTANT'S REPORT

Board of Directors  
NobelTel, LLC  
Carlsbad, California

We have examined management's assertion, included in the accompanying Report of Management on Compliance with the Federal Communications Commission's Third Payphone Order 03-235 that NobelTel, LLC (the Company) complied with the requirements set forth in the Federal Communications Commission's Order 03-235 for the period of July 1, 2004 through June 30, 2005. Management is responsible for the Company's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Company's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Company's compliance with those requirements and performing such other procedures as we considered necessary under the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Company's compliance with specified requirements.

In our opinion, management's assertion that the Company complied with the aforementioned requirements for the period of July 1, 2004 through June 30, 2005, is fairly stated, in all material respects.

This report is intended solely for the information and use of NobelTel, LLC as prescribed by the Federal Communications Commission Order 03-235 Appendix C section 64.1320(e) and is not intended to be, and should not be used by anyone other than these specified parties.



Spokane, Washington  
June 30, 2005

## **Report of Management on Compliance with the Federal Communications Commission's Third Payphone Order<sup>1</sup>**

Management of NobelTel, LLC is responsible for complying with the requirements set forth in Federal Communications Commission (FCC) 03-235 ("Third Payphone Order") as of the date of this report.

Management has performed an evaluation of NobelTel, LLC's compliance with the requirements of the Third Payphone Order as of the date of this report. Based on this evaluation, we assert that NobelTel, LLC has complied with the requirements of the Third Payphone Order.

NobelTel, LLC complied with the requirements of this order in the following manner:

1. NobelTel, LLC has developed a system to identify and collect completed coinless access code or subscriber toll-free payphone calls to completion.  
NobelTel, LLC identified coinless calls utilizing the following parameter in accordance with industry standards:
  - a. coinless calls with ANI II digit of 27, 29, or 70; and
  - b. have an answer duration of greater than zero.
2. NobelTel, LLC has designated persons and contracted with Atlantax, a third-party clearinghouse, to be for responsible tracking, compensating, and resolving disputes concerning completed payphone calls.
3. NobelTel, LLC has developed data monitoring procedures to track completed payphone records from call origination through the payphone compensation process.
4. NobelTel, LLC has established, internal protocols to ensure that any software, personnel and network changes do not adversely affect NobelTel, LLC's ability to track payphone call records.
5. NobelTel, LLC creates monthly compensable payphone call files by applying logic that matches call detail records against payphone identifiers to call data to identify and select compensable payphone records.
6. NobelTel, LLC has developed procedures to provide a compensable payphone call file to Atlantax for purposes of creating the following required quarterly reports:

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<sup>1</sup> The "Third Payphone Order" refers to *In the Matter of The Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-128, Report and Order, released October 3, 2003 by the Federal Communications Commission ("FCC"). The requirements of the Third Payphone Order are set forth in the Appendix C of the above referenced Report and Order.

#### Completing Carrier Reports

- a. A list of toll-free and access numbers dialed from each of the payphone service provider's payphones and the Automated Number Identification ("ANI") for each payphone;
- b. The volume of calls for each number identified in "a" above that were completed by NobelTel, LLC;
- c. The name, address, and phone number of the person or persons responsible for handling NobelTel, LLC's payphone compensation; and
- d. The carrier identification code ("CIC") of all facilities-based long distance carriers that routed calls to NobelTel, LLC, categorized according to the list of toll-free and access code numbers identified in "a" above.

#### Intermediate Carrier Reports

- a. As of the date of the report, NobelTel, LLC operates a closed-network environment and as a result does not switch payphone originated calls to other facilities-based long distance carriers; therefore, NobelTel, LLC has no intermediate carrier reports to create.
7. NobelTel, LLC has developed and implemented procedures and controls internally or through Atlantax to identify, respond to, and resolve disputes.
  8. NobelTel, LLC has developed and implemented controls around the payphone tracking process to ensure the number of payphone records that fall-out of the process are insubstantial.
  9. NobelTel, LLC has developed a process and business rules that accurately identify:
    - a. Payphone originated calls –
      - i. NobelTel, LLC identifies payphone originated coinless calls utilizing the following parameter in accordance with industry standards:
        1. coinless calls with ANI II digit of 27, 29, or 70.
    - b. Completed payphone calls that are compensable to the payphone service providers –
      - i. Payphone calls that are compensable to the payphone service providers are identified as completed coinless calls utilizing two parameters in accordance with industry standards as follows:
        1. coinless calls with ANI II digit of 27, 29, or 70; and
        2. have an answer duration of greater than zero.
    - c. Payphone calls that are incomplete or otherwise non-compensable
      - i. Incomplete payphone calls that are otherwise non-compensable to the payphone service providers are identified as coinless calls utilizing two parameters in accordance with industry standards as follows:
        1. coinless calls with ANI II digit of 27, 29, or 70; and

2. have an answer duration equal to zero.
- d. Determine the identity of the payphone service providers to which NobelTel, LLC owes compensation.
  - i. The identity of the payphone service provider is determined by Atlantax, our third-party payphone compensatory clearinghouse, based on information from NobelTel, LLC's call records.
  - ii. All information required to identify the payphone service provider is received and maintained by Atlantax, our third-party payphone compensatory clearinghouse.

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